

VZCZCXRO4434
PP RUEHQU
DE RUEHPU #1377 2091843
ZNR UUUUU ZZH

P 281843Z JUL 06

FM AMEMBASSY PORT AU PRINCE
TO RUEHC/SECSTATE WASHDC PRIORITY 3645
INFO RUEHZH/HAITI COLLECTIVE PRIORITY
RUEHBR/AMEMBASSY BRASILIA PRIORITY 1148
RUEHSA/AMEMBASSY PRETORIA PRIORITY 0990
RUEHQU/AMCONSUL QUEBEC PRIORITY 0529
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY
RUCPDOC/DEPT OF COMMERCE WASHDC PRIORITY

UNCLAS PORT AU PRINCE 001377

SIPDIS

SENSITIVE
SIPDIS

STATE FOR WHA/CAR
WHA/EPSC FOR FAITH CORNEILLE, ED MARTINEZ
EB/IFD
STATE PASS TO USAID FOR LAC/CAR
COMMERCE FOR SCOTT SMITH

E.O. 12958: N/A

TAGS: [ENRG](#) [EPET](#) [ECON](#) [EAID](#) [HA](#)

SUBJECT: PETROCARIBE GAS ON THE MARKET

REF: PAP 1205

¶11. (U) This message is sensitive but unclassified: please protect accordingly.

¶12. (SBU) The PetroCaribe petroleum delivered to Haiti on May 14, the day of President Rene Preval's inauguration, has finally hit the local market. The Haitian Government (GOH) is selling the entire shipment, including the diesel (initially intended as a donation to the national electricity company) and the gasoline, at the same price as petroleum from a July 14 industry ship. (Note: The industry shipment arrives about every two to three weeks. Due to regular arrivals, petroleum companies have not experienced fuel shortages in several months. End note.) So far Dinasa, Haiti's domestic petroleum company, and Total, the French petroleum company with which the GOH has close relations, have expressed an interest in purchasing the PetroCaribe petroleum from the GOH. The two U.S. companies, Esso (ExxonMobil) and Texaco (Chevron), have received the proposal but have not responded.

¶13. (SBU) Comment: The sale of the PetroCaribe shipment does not mean that the PetroCaribe agreement is moving forward in Haiti. The first and only shipment has been a burden on the GOH, which does not have experience with petroleum management. Since the first shipment on May 14, there has been no sign of a second PetroCaribe transport ship, despite the agreement that one shipment would arrive each month. XXXXXXXXXXXX (please protect), an employee of Dinasa, told econoff that managing and selling petroleum stock is difficult for the professionals in Haiti; no wonder the government is having trouble. (Note: The petroleum business is difficult here because all petroleum shipments are delivered to two ports, which are located in unsafe areas of Port-au-Prince. Haiti also lacks adequate storage facilities and methods of transportation, not to mention other infrastructure and commercial inadequacies. End note.) Post will continue to send updates as they are available.
SANDERSON

=====CABLE ENDS=====